



# UPDATE

**Dividend 15 Split Corp II** is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified, high quality portfolio consisting of 15 high-yielding Canadian companies. Two types of shares are available, a Class A and a Preferred.

## Objectives

### Preferred Shares (TSX: DF.PR.A):

(i) to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield **5.25% per annum** on the original issue price; and (ii) on or about December 1, 2014 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

### Class A Shares (TSX: DF):

(i) to provide holders of the Class A Shares with regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield **8.0% per annum** on the original issue price; and (ii) on or about December 1, 2014 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

## Distributions (by record date)

|                | DF     | DF (specials) | DF.PR.A                  | Total     |
|----------------|--------|---------------|--------------------------|-----------|
| Total to Date  | \$1.10 | -             | \$0.5022                 | \$1.6022  |
| 2007 YTD       | \$1.00 | -             | \$0.4375                 | \$1.4375  |
| 2006 (initial) | \$0.10 | -             | \$0.06473 <sup>(1)</sup> | \$0.16473 |

(1) Initial distribution for the period Nov 16/06 to Dec 31/06.

## Commentary

Toronto-Dominion Bank (TSX: TD) increased its quarterly common share dividend to \$0.57 a share, an 8% increase (Aug 07).

Royal Bank of Canada (TSX: RY) increased its quarterly common share dividend to \$0.50 a share, a 9% increase (Aug 07).

Bank of Montreal (TSX: BMO) increased its quarterly common share dividend to \$0.70 a share, a 2.9% increase (Aug 07).

Canadian Imperial Bank of Commerce (TSX: CM) increased its quarterly common share dividend to \$0.87 a share, a 12% increase (Aug 07).

TELUS Corporation (TSX: T) increased its quarterly non-voting share dividend to \$0.45 a share, a 20% increase (Nov 07).

TD, RY, BMO, CM and T are holdings of Dividend 15 Split II.

The Dividend 15 Split II portfolio has a current dividend yield of approximately 3.2%.

## Details

|                             |                     |
|-----------------------------|---------------------|
| Gross Proceeds:             | \$139,750,000       |
| Units Issued:               | 5,590,000           |
| Inception Date:             | Nov 16, 2006        |
| Termination Date:           | Dec 1, 2014         |
| Net Asset Value:            | \$24.90 (Oct 31/07) |
| Cash Weighting:             | 7%                  |
| Canadian Equity Weighting:  | 93%                 |
| <b>DF.PR.A</b> Issue Price: | \$10.00             |
| Trading Price:              | \$10.28 (Oct 31/07) |
| Current Yield:              | 5.1% annually       |
| <b>DF</b> Issue Price:      | \$15.00             |
| Trading Price:              | \$13.50 (Oct 31/07) |
| Current Yield:              | 8.9% annually       |

## Top Holdings Sorted By Weight Symbol

|                                    |     |
|------------------------------------|-----|
| Bell Canada Inc.                   | BCE |
| CI Fund Management                 | CIX |
| Canadian Imperial Bank of Commerce | CM  |
| AGF Management                     | AGF |
| TransAlta                          | TA  |
| Sun Life Financial                 | SLF |
| Thomson Corp                       | TOC |
| Manulife Financial                 | MFC |
| TransCanada Corporation            | TRP |
| Royal Bank                         | RY  |
| Toronto-Dominion Bank              | TD  |
| Bank of Montreal                   | BMO |
| National Bank of Canada            | NA  |
| Enbridge Inc.                      | ENB |
| Telus                              | T   |

Weightings subject to change at any time.